

North Reading Housing Needs Assessment

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North Reading Community Planning Commission

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Purpose

- ▶ Obtain updated information on demographic, economic and housing characteristics and trends;
- ▶ Better understand the current housing market dynamic;
- ▶ Document priority housing needs; and
- ▶ Identify strategies to address identified needs and goals and strategically invest local resources.

What is affordable housing?



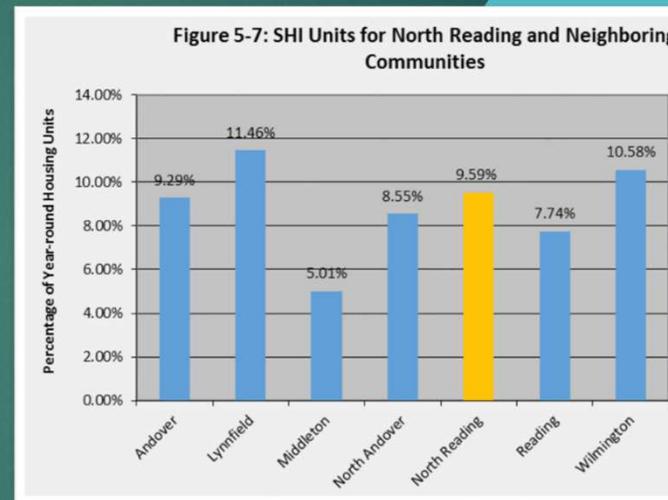
HUD definition: Spending no more than 30% of income on housing costs

Chapter 40B definition:

- ▶ Subsidized
- ▶ Deed restricted
- ▶ Affirmatively marketed
- ▶ Available to households earning at or below 80% of area median income

What's affordable in North Reading?

- ▶ Of the 5,597 year-round housing units, 537 or 9.59% are included in the Subsidized Housing Inventory (SHI).
- ▶ Current gap of 23 units to meet the 10% state target without considering future growth.
- ▶ 94% of SHI units are rentals.
- ▶ About 6% of units involved 40B, all ownership units.
- ▶ 406 Edgewood apartment units count as part of Chapter 40R Smart Growth Overlay District.



What are Housing Production Plans?

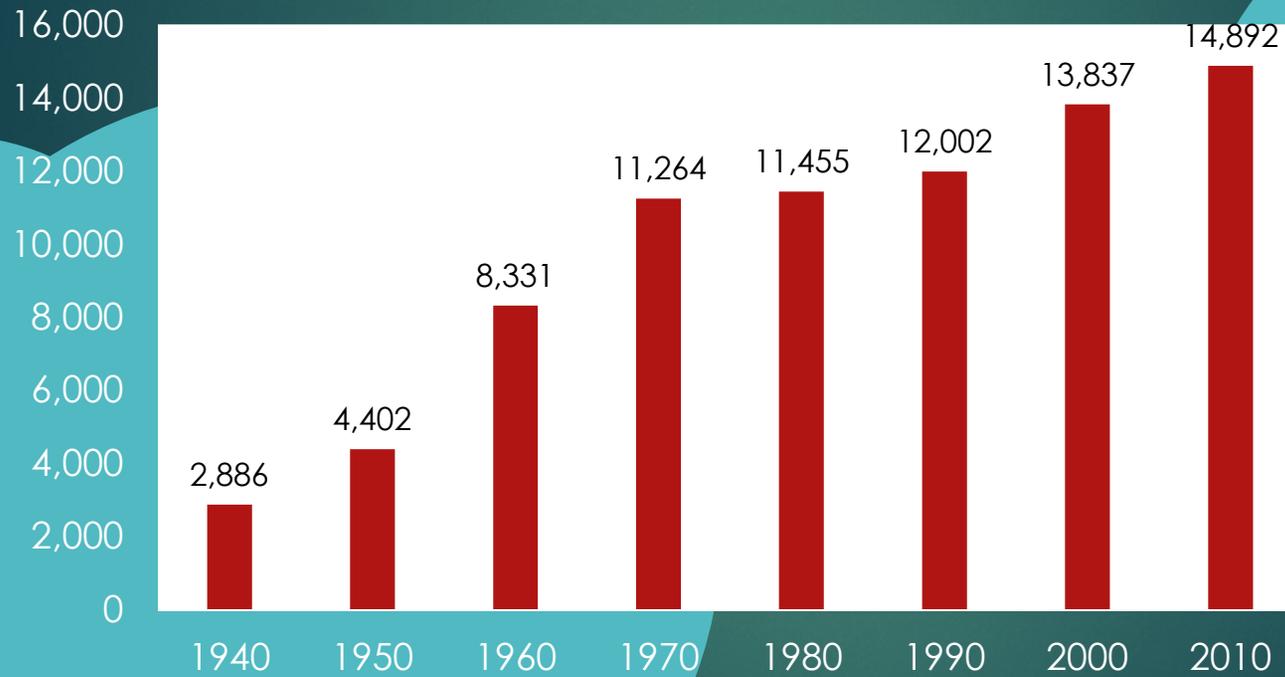
- ▶ State regulations under Chapter 40B offer communities greater local control over affordable housing development.
- ▶ First step is getting **Housing Plan approval** from the state. Plan must include affordable housing production goals (28 units/year for North Reading based on .5% of year-round housing units) and strategies to address identified local needs and meet these goals.
- ▶ For each one-year or two-year goal met, the Town can apply for and receive state **certification** with a 1- or 2-year period during which the ZBA can deny 40B projects without the developer's ability to appeal if they are determined to be inappropriate or not responsive to local needs.

Demographic Trends

- ▶ 28% population growth from 1990 to 2015 compared to 32% household growth and 36% total housing growth.
- ▶ Some declines in children and adults up to age 45.
- ▶ Dramatic increases in 45-64 age group and those 65+.
- ▶ Projections indicate a population of about 16,500 residents by 2030 and continuing losses of children with substantial gains in older residents with those 65+ doubling in number.
- ▶ 477 or 9% of all households had heads age 65+ who were living alone.

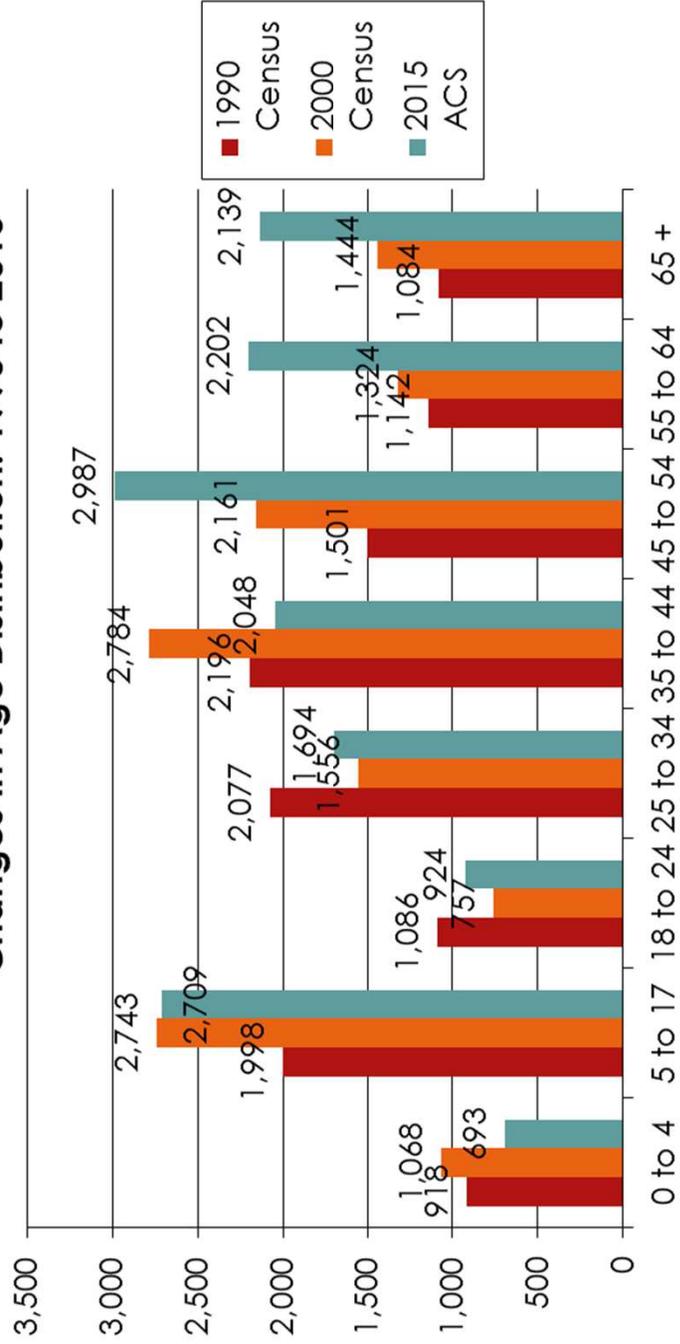
Population Growth

Population Growth, 1940 to 2010



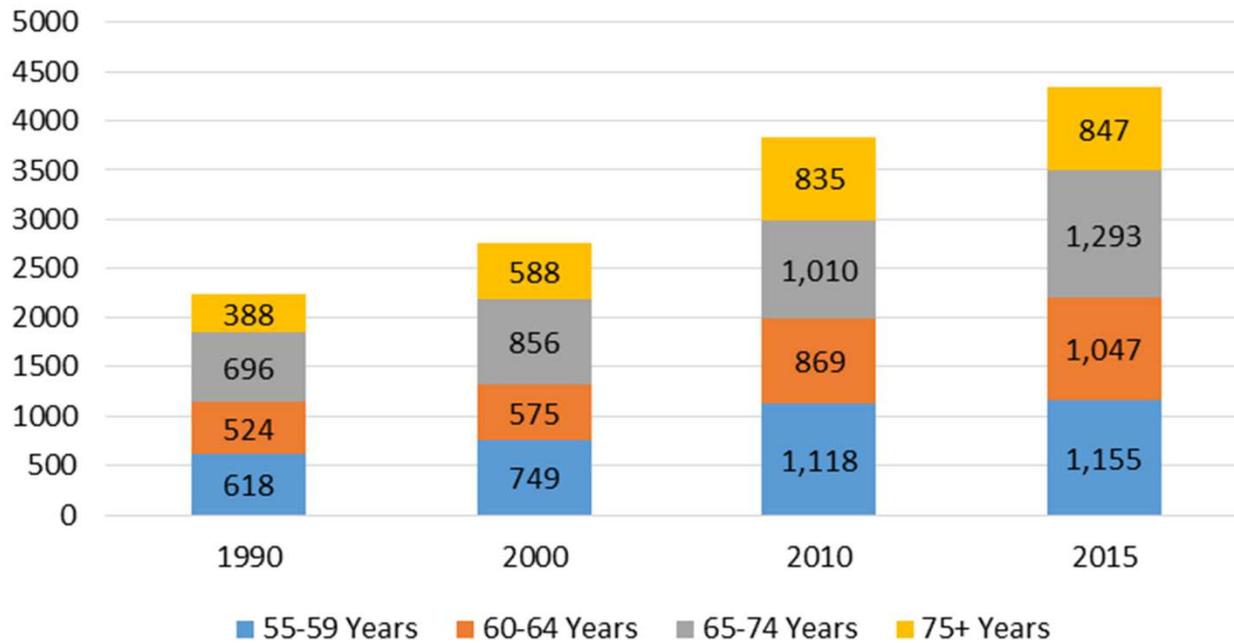
Shifts in the Age Distribution

Changes in Age Distribution: 1990 to 2015



Growth in Older Residents

Figure 5-8: Growth of Senior Population, 1990 to 2015



Economic Trends

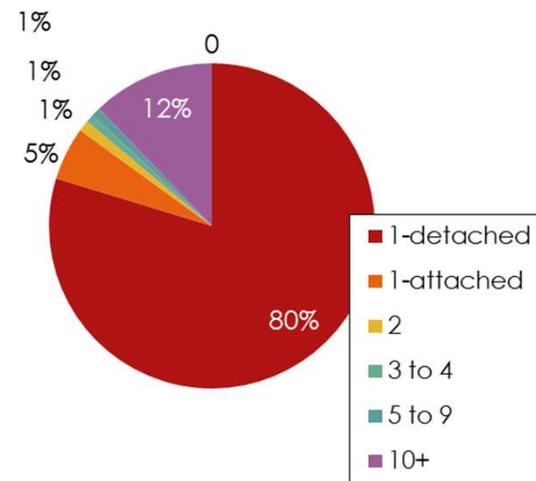
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- ▶ Median household income of \$123,103 up 134% from \$52,707 in 1989, higher than 91% rate of inflation.
- ▶ Median family income higher at \$144,451.
- ▶ 59% of households earned more than \$100,000.
- ▶ 11% of households earned less than \$35,000.
- ▶ Poverty low but increasing somewhat.
- ▶ Average weekly wage of \$1,372 for those working in North Reading or about \$71,600 annually, 58% of the median household income of residents.
- ▶ 1,135 residents or 7.4% claimed a disability.

Housing Trends

- ▶ Single-family homes predominate housing supply.
- ▶ Only 7% of about 5,700 total housing units predate WWII.
- ▶ Very low vacancy rates.
- ▶ Substantial teardown activity.
- ▶ Large homes fueled 75% of new housing growth.
- ▶ Significant multi-family development in last decade of 524 units including 433 SHI units.

Distribution of Units per Structure, 2015



Targeted Housing Needs

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Rental units are top need/continue to diversify housing stock.

- ▶ Hard to find rental for a 2-bedroom unit for less than \$1,500.
- ▶ Requires \$60,000 annually to afford lowest market rent.
- ▶ Median income of renters is \$52,917 who can afford a rent of about \$1,123.
- ▶ High up-front cash requirements.
- ▶ 24% of renters paid at least half their income on housing.

Targeted Housing Needs

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- ▶ 31% of North Reading's rental units are subsidized.
- ▶ Most state subsidies directed to rentals.
- ▶ Hard to qualify long-term owners for housing subsidies.
- ▶ Deficit of at least 400 affordable rental units, 345 for those earning at or below 80% AMI.
 - ▶ 155 seniors
 - ▶ 130 families (largely related to scarce amount of affordable family housing in the community)
 - ▶ 60 nonelderly, nonfamily individuals

Targeted Housing Needs

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Homeownership is next priority/need starter housing for families and options for empty nesters.

- ▶ \$125,400 income needed to afford the median priced home of \$508,950.
- ▶ 8.7% of units assessed for less than \$200,000, 7 single-family homes and 429 condos.
- ▶ Current challenges in obtaining financing including high down payments.
- ▶ Affordability gap of about \$273,000 for 3-person household earning at 80% AMI, gap of \$24,000 for condos.
- ▶ Deficit of at least 1,245 affordable units, 535 for those earning below 80% AMI, including 325 seniors, 125 families, and 85 nonelderly individuals.

Targeted Housing Needs

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People with disabilities and special needs are also a priority need.

- ▶ 7.4% or 1,135 residents claimed a disability including 23% of seniors and 25% of veterans.
- ▶ Affordability gap is typically widest for the disabled.
- ▶ Increasingly aging population will require more supportive services and handicapped accessibility.
- ▶ No barrier-free units in public housing.
- ▶ Long waits for Housing Authority units for younger disabled households.
- ▶ Only 61 special needs units.

Targeted Housing Needs

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- ▶ Seniors/increasing population with significant cost burdens, more living alone.
 - ▶ Need opportunities to affordably downsize in less isolated settings
 - ▶ Intergenerational housing opportunities
 - ▶ Barrier-free units
 - ▶ Lower maintenance demands
 - ▶ Supportive services
 - ▶ Greater community connections
 - ▶ Walkability

Targeted Housing Needs

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- ▶ Families/few subsidized housing opportunities and long waits and substantial cost burdens.
 - ▶ Need starter housing
 - ▶ Even affordable rents are beyond the means of many families
- ▶ Single individuals including those with disabilities.
 - ▶ Need smaller barrier-free units
 - ▶ Proximity to transportation and services
- ▶ Veterans (632 veterans in North Reading).
 - ▶ Median income of \$49,432 and affordability gap of \$300,000
 - ▶ Need affordable starter housing

Targeted Production Goals

Type of Housing	Seniors/ Singles 1 bedroom @50%	Small Families/ 2 bedrooms @40%	Large Families/ 3 bedrooms @10%	Total/ 10-year Goals
Rentals @80%	56	45	11	112
Ownership @20%	14	11	3	28
Total	70	56	14	140
Special Needs	(14+)	(6)	(2)	(22)

Next Steps

- ▶ Draft next sections of the Plan;
- ▶ Conduct another public forum;
- ▶ Present Plan to local officials and stakeholders;
- ▶ Finalize Plan;
- ▶ Obtain CPC and Selectmen approval; and
- ▶ Submit to the state for approval.

